

Archegos Debrief – April 2021

Most of the information below is based on an initial due diligence call that occurred on March 16, 2021 between Archegos (Patrick Halligan- CFO and Scott Becker – Finance) and BofA [REDACTED]

Archegos started 2020 with about \$3.4bln in capital. In the 1Q20, Archegos had losses of 58%. This was a result of market effects of COVID.

On our call, Archegos stated that they were up 180% YTD21 (indicative of a +52.4% return in Feb) with \$23bln in capital.

Archegos Fund LP 2020-2021 Performance from HFAD

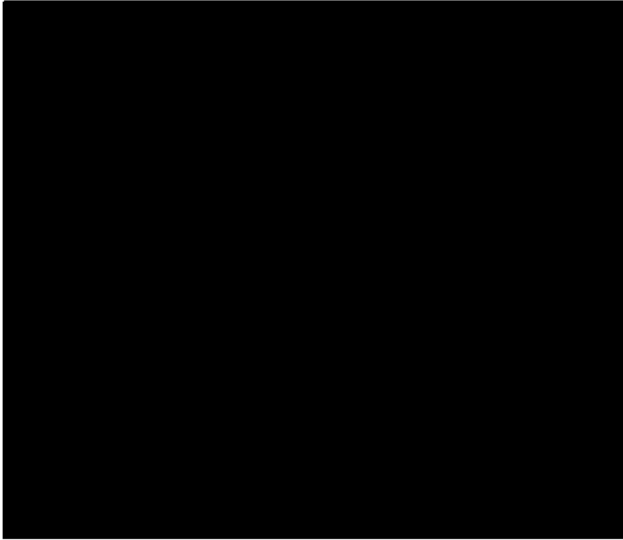
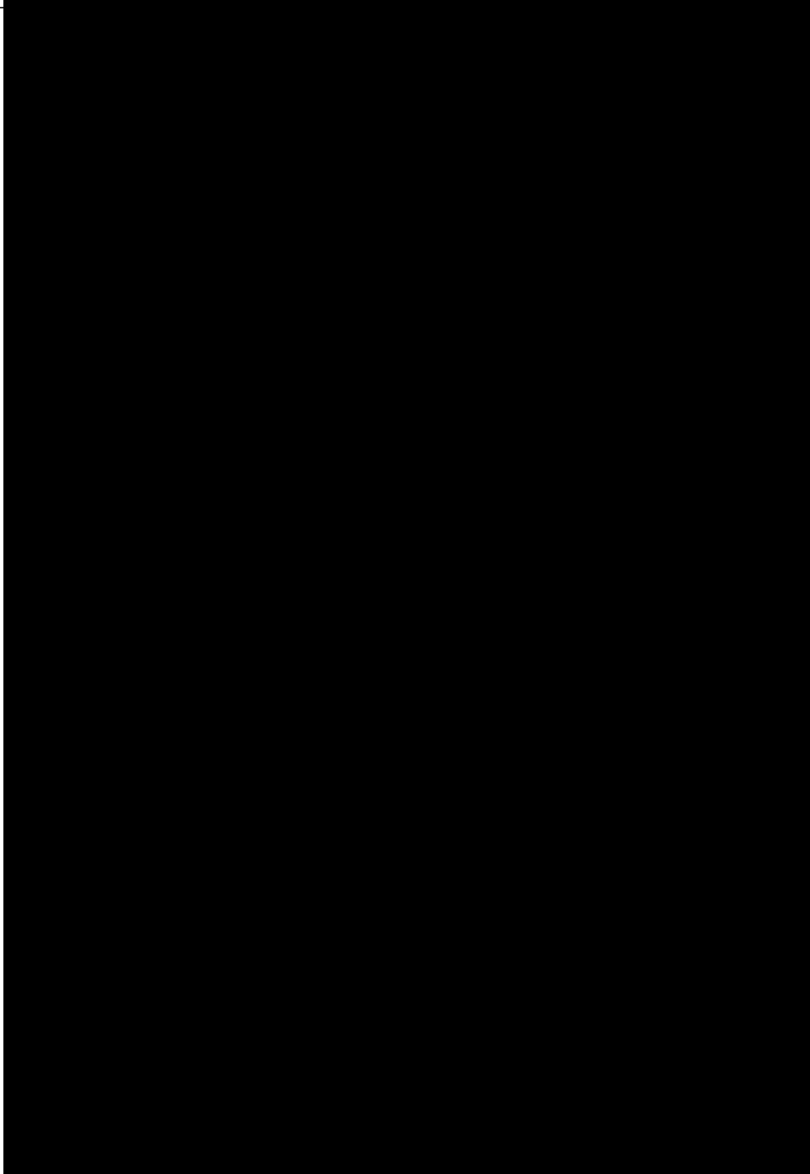
| Year | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YE Perf | BM1 | BM2 | NAV(NM) |
|------|-------|--------|--------|-------|-------|-------|-------|-------|------|------|-------|-------|---------|-----|-----|----------|
| 2021 | 83.70 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 60.70 | N/A | N/A | 16743.00 |
| 2020 | -1.20 | -20.90 | -45.50 | 34.00 | 12.90 | 56.70 | 23.00 | -7.30 | 5.10 | 3.00 | 26.90 | 27.50 | 102.33 | N/A | N/A | 8078.00 |

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| Concentration & Structure | [REDACTED] | | | | | | | | | | | | | | | |
| | <p>Archegos ran a very concentrated book. Although the book had ~110 total long positions and ~50 shorts (mainly ETFs, Indexes (SPY and custom baskets in the Tech sector), the book was concentrated in 10 positions totaling 300% of NAV or \$69bn. The largest position was 35% of NAV or \$8.1bn.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> | | | | | | | | | | | | | | | |

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| Leverage | <p>Archegos ran a highly leveraged book. Gross leverage in March 2021 was 487% with net longs at 158%. Gross leverage had been as high as 600% and typical net longs were 115%. This leverage enabled Archegos to have over \$100bn in single name long positions at its high point.</p> <p>Archegos indicated on the call that it had \$7.8bn of unencumbered cash.</p> <p>Archegos told BofA that the max haircuts that it expected was 15% and that it was getting this away. These low margin levels enabled Archegos to run such high leverage.</p>  |  |
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| Fund Risk Governance | <p>Archegos did not have typical risk limits in place. There were no hard or soft limits on concentration (single position/sector/geographic). There were no risk management processes in place (portfolio stress tests, stop loss limits). "Bill Hwang was in charge of constructing the portfolio in any way he saw fit."</p> <p>[REDACTED]</p> <p>Since Archegos is a family office, it does have the ability to make redemptions at any time, where hedge funds have a predetermined withdrawal and notification periods.</p> |
| Transparency | <p>Archegos was forthcoming with fund leverage, position sizes, sector focus (Media/Telecom & Financials) and number of counterparties (Primes: #7 with 5-6 being core counterparties; ISDA only: #4), however, they would not provide actual names in their portfolio.</p> <p>[REDACTED]</p> |

GSX TechEdu Inc. – ADR Holders Screenshot

| | | | | | |
|--|--|-----------------------------|--|------------------------------------|--|
| GSX US \$ 31.78 -7.23 | | T31.70/32.06T | | 1x4 | |
| At 16:15 d Vol 80,702,857 0 38.75P | | H 39.01N L 30.70D | | Val 2.74 | |
| GSX US Equity | | 25) Export | | Settings | |
| GSX TECHEDU INC- ADR CUSIP 36257Y10 | | | | Security | |
| Current | | Historical | | Matrix | |
| Ownership Summary | | Insider Transactions | | Options | |
| Debt | | | | | |
| Search Name All Holders, Sorted by Size | | 21) Save Search | | 22) Delete Search | |
| 23) Refine Search | | | | | |
| Text Search | | Holder Group All Holders | | Investment Manag | |
| 24) Color Legend | | Shrs Out 144.7M % Out 82.58 | | Float/Shrs Out N.A. SI % Out 29.02 | |
| Holder Name | | Portfolio Name | | Source | |
| | | | | Opt | |
| | | | | Position | |
| | | | | % Out | |
| 1. Goldman Sachs Group Inc/The | | ULT-AGG | | 31,662,834 21.88 | |
| 2. Goldman Sachs Group Inc/The | | 13G | | 31,662,834 21.88 | |
| 3. Morgan Stanley | | 13G | | 14,663,017 10.13 | |
| 4. Morgan Stanley Capital Services LLC | | MORGAN STANL... | | 13F 13,684,143 9.46 | |
| 5. Morgan Stanley & Co LLC | | MORGAN STANL... | | 13F 959,264 0.66 | |
| 6. Morgan Stanley Investment Management I... | | Multiple Portfol... | | MF-AGG 37,671 0.03 | |
| 7. Morgan Stanley & Co International PLC | | MORGAN STANL... | | 13F 18,863 0.01 | |
| 8. Morgan Stanley Investment Management L... | | MORGAN STANL... | | 13F 1,806 0.00 | |
| 9. Morgan Stanley | | Multiple Portfol... | | MF-AGG 1,375 0.00 | |
| 10. Morgan Stanley Smith Barney LLC | | MORGAN STANL... | | 13F 750 0.00 | |
| 11. UBS AG | | ULT-AGG | | 11,642,879 8.05 | |
| 12. UBS Group AG | | UBS GROUP AG | | 13F Y 11,347,259 7.84 | |
| 13. UBS Asset Management Americas Inc | | UBS GLOBAL AS... | | 13F 295,620 0.20 | |
| 14. Nomura Holdings Inc | | ULT-AGG | | 10,690,836 7.39 | |
| 15. Nomura Holdings Inc | | NOMURA HOLDI... | | 13F 10,685,836 7.39 | |
| 16. Nomura Asset Management Co Ltd | | NOMURA ASSET ... | | 13F 5,000 0.00 | |
| 17. Credit Suisse Group AG | | ULT-AGG | | 8,641,773 5.97 | |
| 18. Credit Suisse AG | | 13G | | 8,641,773 5.97 | |